

MADISON COUNTY MASS TRANSIT DISTRICT

REPORT AND FINANCIAL STATEMENTS

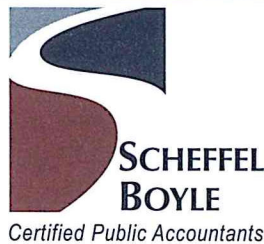
JUNE 30, 2020

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ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT

October 19, 2020

Board of Trustees
Madison County Mass Transit District
Madison County, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the blended component unit, and each major fund of Madison County Mass Transit District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Agency for Community Transit, a blended component unit, which statements reflect total assets constituting 19 percent of combined total assets at June 30, 2020. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Agency for Community Transit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the blended component unit, and each major fund of Madison County Mass Transit District as of June 30, 2020, and its proprietary fund type as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The present level of service of the District is dependent upon the District's ability to obtain operating assistance as described in Note 4. While resources exist to meet present obligations, revenues derived from services are not adequate to meet the expenses of continued service without such operating assistance.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 6 through 10 and 34 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Other Information

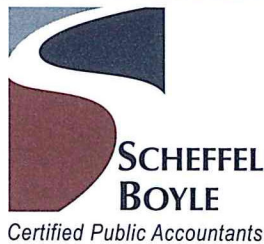
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information contained in the schedule of expenses by function-proprietary fund type is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenses by function-proprietary fund type is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors and the schedule of expenses by function-proprietary fund type are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2020, on our consideration of Madison County Mass Transit District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.


Edwardsville, IL



ALTON EDWARDSVILLE BELLEVILLE HIGHLAND
JERSEYVILLE COLUMBIA CARROLLTON

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

October 19, 2020

Board of Trustees
Madison County Mass Transit District
Madison County, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the blended component unit, and each major fund of Madison County Mass Transit District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Madison County Mass Transit District's basic financial statements, and have issued our report thereon dated October 19, 2020. Our report includes a reference to the other auditors who audited the financial statements of Agency for Community Transit, as described in our report on Madison County Mass Transit District's financial statements. The financial statements of Agency for Community Transit were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Madison County Mass Transit District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Madison County Mass Transit District's internal control. Accordingly, we do not express an opinion on the effectiveness of Madison County Mass Transit District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County Mass Transit District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Edwardsville, IL

MADISON COUNTY MASS TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The following discussion and analysis of the Madison County Mass Transit District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020, compared to the financial activities for the year ended June 30, 2019. Please review it in conjunction with the District's financial statements and accompanying notes.

OVERVIEW OF THE FINANCIAL STATEMENTS

The accompanying financial statements contain two funds, the General Fund and the Business-Type Activities Fund. Both funds are considered to be Major Funds. The General Fund, which is classified as a Governmental Fund, contains the financial activity of the Madison County Mass Transit District (the District). The Business-Type Activities Fund, which is classified as a Proprietary Fund, contains the financial activity of the Agency for Community Transit (the Agency). The Agency is a not-for-profit entity with a December 31 fiscal year end. It is a blended component unit of the District. Further information regarding the Agency can be found in their separately-issued audited financial statements for the year ended December 31, 2019.

Reimbursements from the District to the Agency are reported in the accompanying financial statements as Transfers to Other Funds. Additional information concerning the combining of the General and Business-Type Activities funds as well as other accounting policies is contained in the accompanying notes to the financial statements.

FINANCIAL HIGHLIGHTS

During the year ended June 30, 2020, work was completed on construction of the Quercus Grove Trail Extension and the Troy-O'Fallon bike trail, which became part of the Goshen Trail. Other purchases included forty-two heavy duty thirty-foot buses for fixed route service, twenty-nine light-duty fourteen-passenger buses for demand response service, road supervisor vehicles, and vans for the St. Louis Regional Rideshare Program. Additional analysis of capital project expenditures is included on page 8 of this report.

The COVID-19 pandemic impacted the District's operations beginning in March 2020, and this pandemic is ongoing as of the date of this report. In response to this pandemic, the FTA awarded the District a Federal CARES Act grant in the amount of \$12,531,431 to help offset operating expenses, capital projects expenses, and preventive maintenance expenses over the next several fiscal years. Additional information is included on Note 7 of this report, on page 32.

Net Position: The District's net position reflects the difference between assets, what the District owns, and liabilities, what the District owes. During the year ended June 30, 2020, the District's combined net position increased \$19,755,623. The majority of this increase, \$18,394,809, is due to the increase in net fixed assets stemming from the purchases of the buses and other assets described above. Overall, the District continues to be in solid financial condition.

MADISON COUNTY MASS TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

The following table summarizes the combined net position of the District and the Agency for the years ended June 30, 2020 and June 30, 2019:

Condensed Combined Statement of Financial Position

	<u>6/30/2020</u>	<u>6/30/2019</u>	Increase (Decrease)
<u>Assets</u>			
Cash and Investments	\$73,030,102	\$73,163,171	(\$133,069)
Receivables	7,151,170	5,238,117	1,913,053
Other Assets	2,205,811	1,904,670	301,141
Fixed Assets, Net	71,591,425	53,202,420	18,389,005
Total Assets	<u>\$153,978,508</u>	<u>\$133,508,378</u>	<u>\$20,470,130</u>
<u>Liabilities</u>			
Payables	\$2,988,341	\$2,311,260	\$677,081
Accrued Wages and Compensated Absences	3,282,396	3,275,241	7,155
Other Liabilities	640,513	610,242	30,271
Total Liabilities	<u>\$6,911,250</u>	<u>\$6,196,743</u>	<u>\$714,507</u>
<u>Net Position</u>			
Investment in Fixed Assets	\$71,591,425	\$53,202,420	\$18,389,005
Restricted for Local Match	17,841,400	19,729,777	(1,888,377)
Unrestricted	57,634,433	54,379,438	3,254,995
Total Net Position	<u>\$147,067,258</u>	<u>\$127,311,635</u>	<u>\$19,755,623</u>

Receivables: The increase in receivables is primarily due to amounts owed to the District for the purchases of thirty-foot buses and reimbursement of expenses related to the COVID-19 pandemic as of June 30, 2020.

Fixed Assets, Net: The main reasons for the increase in net fixed assets was the purchase of a thirty-foot bus fixed route fleet and a fourteen-passenger bus demand response fleet. Additional analysis of capital projects expenditures is included on page 8 of this report.

Net Position, Restricted for Local Match: The decrease in assigned fund balance is largely due to decreased amounts assigned for vehicle purchases when the new single year capital budget was approved during the year ended June 30, 2020.

MADISON COUNTY MASS TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Net Position, Unrestricted: The increase in unrestricted net position is mostly due to more revenues than expenditures in the current fiscal year.

Investment in Fixed Assets: The District's investment in fixed assets reports the land, buildings, improvements, vehicles and equipment utilized in the District's operations. The depreciation assessed to these assets spreads their cost over their estimated useful lives. Additional information regarding the fixed assets is included in Note 5.

The changes in net fixed assets in the General Fund during the years ended June 30, 2020 and June 30, 2019 are summarized as follows.

Summary of Fixed Assets Activity – General Fund

	<u>6/30/2020</u>	<u>6/30/2019</u>	Increase (Decrease)
Fixed Assets in Service, Beginning of the Year	\$133,407,173	\$132,732,480	\$674,693
Additions and Adjustments	26,514,320	1,246,279	25,268,041
Retirements	(5,155,079)	(571,586)	(4,583,493)
Fixed Assets in Service, End of the Year	<u>\$154,766,414</u>	<u>\$133,407,173</u>	<u>\$21,359,241</u>
Accumulated Depreciation, Beginning of the Year	\$80,236,086	\$73,337,095	\$6,898,991
Additions and Adjustments	8,046,557	7,465,614	580,943
Retirements	(5,082,125)	(566,623)	(4,515,502)
Accumulated Depreciation, End of the Year	<u>\$83,200,518</u>	<u>\$80,236,086</u>	<u>\$2,964,432</u>
Net Fixed Assets at the End of the Year	<u>\$71,565,896</u>	<u>\$53,171,087</u>	<u>\$18,394,809</u>

Capital Projects: Many of the District's fixed assets involve projects which take longer than one year to complete. The revenues and expenditures associated with these projects vary each fiscal year depending upon the status of the project. A summary of the revenues and expenditures associated with the major capital projects in progress in the General Fund during the years ended June 30, 2020 and June 30, 2019 is on the following page.

MADISON COUNTY MASS TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Capital Project Activity – General Fund

	Revenues		Expenditures	
	<u>6/30/20</u>	<u>6/30/19</u>	<u>6/30/20</u>	<u>6/30/19</u>
Transit Centers and Park and Ride				
Facilities	\$0	\$0	\$587,053	\$51,962
Equipment	239,339	122,709	9,900	104,320
Vehicles	18,419,334	148,217	24,168,572	601,546
Facility Improvements	0	0	529,610	48,721
Bikeways	668,798	231,908	1,219,185	439,729
Totals	<u>\$19,327,471</u>	<u>\$502,834</u>	<u>\$26,514,320</u>	<u>\$1,246,278</u>

Statement of Activities/Statement of Revenues, Expenditures and Changes in Fund Balance:

The following table summarizes the District's Statement of Activities for the General Fund for the year ended June 30, 2020:

Condensed Statement of Activities/Statement of Revenues, Expenditures and
Changes in Fund Balance – General Fund

	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
Revenues:			
Transit Operating Revenues	\$826,678	\$1,037,082	(\$210,404)
Capital Grant Revenues	19,327,471	502,834	18,824,637
Operating Grants	17,811,217	17,477,273	333,944
Sales Tax	13,589,837	12,972,382	617,455
Interest Income	1,370,762	1,226,840	143,922
Other Revenues	471,674	49,775	421,899
Total Revenues	<u>\$53,397,639</u>	<u>\$33,266,186</u>	<u>\$20,131,453</u>
Expenditures:			
Transit Services	\$3,304,884	\$3,639,214	(\$334,330)
Rideshare Program	346,618	384,349	(37,731)
Bikeways	1,392,175	439,729	952,446
Transit Centers and Equipment	25,122,145	806,549	24,315,596
Management and General	650,411	668,016	(17,605)
Total Expenditures	<u>\$30,816,233</u>	<u>\$5,937,857</u>	<u>\$24,878,376</u>
Transfers to Other Funds	<u>\$23,304,477</u>	<u>\$22,451,165</u>	<u>\$853,312</u>
Net Revenues Over (Under) Expenditures	<u>(\$723,071)</u>	<u>\$4,877,164</u>	<u>(\$5,600,235)</u>

MADISON COUNTY MASS TRANSIT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

These Statements measure the District's performance during the year. Significant fluctuations in the District's Statements for the year ended June 30, 2020 include the following:

- General Fund Revenues increased \$20,131,453
- General Fund Expenditures increased \$24,878,376

These changes are primarily due to the purchases of the thirty-foot bus fixed route fleet and the fourteen-passenger bus demand response fleet, as well as other capital projects activity during the year ending June 30, 2020.

General Fund Budget: The District's General Fund budget has two components, the Operating Budget and the Capital Budget. The Operating Budget measures the anticipated revenues and expenditures needed to perform the daily business operations of the District. The Capital Budget is used to account for the capital projects that generate the fixed assets of the District. In prior fiscal years, the District adopted multi-year capital budgets. However, for the year ending June 30, 2020, the District adopted a five-year capital plan, and a single year Capital Budget. The Operating and Capital budgets were modified during the year ending June 30, 2020, adding new projects and adjusting the anticipated revenues and costs of current projects. Resolutions were approved by the District's Board as additional projects were developed and related grant revenues were determined to be available.

The detailed comparison of the District's budgeted and actual expenditures is found with Schedule 1 on pages 34 through 36 of the accompanying financial statements.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Accounting Director, One Transit Way, P.O. Box 7500, Granite City, Illinois 62040-7500.

MADISON COUNTY MASS TRANSIT DISTRICT
STATEMENT OF FINANCIAL POSITION

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u> <u>JUNE 30, 2020</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u> <u>AGENCY FOR</u> <u>COMMUNITY</u> <u>TRANSIT</u> <u>DECEMBER 31, 2019</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 10,443	\$ 4,536,951	\$ 4,547,394
Investments	46,982,708	21,500,000	68,482,708
Accounts Receivable, Net	101,409	165,118	266,527
Interest Receivable	69,960	-	69,960
Due from Governmental Agencies	4,816,688	-	4,816,688
Transfers Due from Other Funds	-	1,957,427	1,957,427
Inventory	949,670	-	949,670
Prepaid Expenses	869,827	186,755	1,056,582
Other Receivable	40,568	-	40,568
Other Assets	-	199,559	199,559
Fixed Assets, Net of Accumulated Depreciation	71,565,896	25,529	71,591,425
TOTAL ASSETS	<u><u>\$ 125,407,169</u></u>	<u><u>\$ 28,571,339</u></u>	<u><u>\$ 153,978,508</u></u>
<u>LIABILITIES AND NET POSITION</u>			
<u>LIABILITIES:</u>			
Accounts Payable	\$ 836,859	\$ 128,314	\$ 965,173
Contracts Payable - Retainage	27,309	-	27,309
Transfers Due to Other Funds	1,995,859	-	1,995,859
Accrued Wages and Compensated Absences	-	3,282,396	3,282,396
Other Liabilities	-	640,513	640,513
Total Liabilities	<u><u>\$ 2,860,027</u></u>	<u><u>\$ 4,051,223</u></u>	<u><u>\$ 6,911,250</u></u>
<u>NET POSITION:</u>			
Investment in Fixed Assets	\$ 71,565,896	\$ 25,529	\$ 71,591,425
Restricted For:			
Local Match	17,841,400	-	17,841,400
Unrestricted	33,139,846	24,494,587	57,634,433
Total Net Position	<u><u>\$ 122,547,142</u></u>	<u><u>\$ 24,520,116</u></u>	<u><u>\$ 147,067,258</u></u>
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 125,407,169</u></u>	<u><u>\$ 28,571,339</u></u>	<u><u>\$ 153,978,508</u></u>

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT
STATEMENT OF ACTIVITIES

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	CAPITAL GRANTS	OPERATING GRANTS	GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT:							
Governmental Activities:							
For the Year Ended June 30, 2020							
Transportation	\$ 12,348,470	\$ 826,678	\$ 19,327,471	\$ 17,811,217	\$ 25,616,896	\$ -	\$ 25,616,896
Business-Type Activities:							
For the Year Ended December 31, 2019							
Transportation	\$ 23,700,808	\$ 1,511,723	\$ -	\$ -	\$ -	\$ (22,189,085)	\$ (22,189,085)
Total Primary Government	\$ 36,049,278	\$ 2,338,401	\$ 19,327,471	\$ 17,811,217	\$ 25,616,896	\$ (22,189,085)	\$ 3,427,811
General Revenues and Transfers:							
Sales Tax					\$ 13,589,837	\$ -	\$ 13,589,837
Miscellaneous					1,769,482	686,371	2,455,853
Transfers					(23,304,477)	23,586,599	282,122
Total General Revenues and Transfers					\$ (7,945,158)	\$ 24,272,970	\$ 16,327,812
Change in Net Position					\$ 17,671,738	\$ 2,083,885	\$ 19,755,623
Net Position, Beginning of Year					104,875,404	22,436,231	127,311,635
Net Position, End of Year					\$ 122,547,142	\$ 24,520,116	\$ 147,067,258

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

GENERAL
FUND

ASSETS:

Cash	\$ 10,443
Investments	46,982,708
Accounts Receivable, Net	101,409
Interest Receivable	69,960
Due from Governmental Agencies	4,816,688
Inventory	949,670
Prepaid Expenses	869,827
Other Receivable	40,568
	<hr/>
TOTAL ASSETS	\$ 53,841,273
	<hr/>

LIABILITIES AND FUND BALANCES:LIABILITIES:

Accounts Payable	\$ 836,859
Contracts Payable - Retainage	27,309
Transfers Due to Other Funds	1,995,859
Total Liabilities	<hr/> \$ 2,860,027

FUND BALANCES:

Nonspendable	
Inventory	\$ 949,670
Prepaid Expense	869,827
Assigned	
Local Match	17,841,400
Unassigned	31,320,349
Total Fund Balances	<hr/> \$ 50,981,246

TOTAL LIABILITIES AND
FUND BALANCES

\$ 53,841,273

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

Total Fund Balances for Governmental Funds	\$ 50,981,246
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 9,888,663	
Bikeways, buildings and improvements, net of \$47,841,422 accumulated depreciation	30,465,903	
Vehicles, net of \$29,769,723 accumulated depreciation	30,656,937	
Equipment, net of \$5,589,373 accumulated depreciation	554,393	
		71,565,896

Total Net Position of Governmental Activities	\$ <u>122,547,142</u>
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The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

GENERAL

REVENUES:

Sales Tax	\$ 10,183,141
Interest	1,370,762
Illinois Department of Transportation (IDOT) Operating Assistance	16,380,459
Illinois Department of Transportation (IDOT) Local Sales Tax Reform	3,406,696
Rideshare Program	456,092
Lease and Rental Income	24,752
Federal Transit Administration (FTA) Section 5307	11,994,567
Federal Transit Administration (FTA) Section 5339	3,600,000
Federal CARES Act	875,913
Congestion Mitigation Air Quality (CMAQ)	3,153,449
Fares	826,678
Metro East Park and Recreation District (MEPRD)	633,458
Intergovernmental Agreements	44,750
Other Revenues	446,922
Total Revenues	<u>\$ 53,397,639</u>

EXPENDITURES:

Transit Services (Note 1.A.)	\$ 3,192,719
Rideshare Program (Note 1.A.)	346,618
Professional and Other Services	214,058
Trustee Expense	13,955
District Office	422,398
Facilities Maintenance	112,165
Transit Centers and Park and Ride Facilities	414,063
Equipment	363,359
Vehicles	24,100,609
Facility Improvements	244,114
Bikeways	1,392,175
Total Expenditures	<u>\$ 30,816,233</u>

REVENUES OVER EXPENDITURES	<u>\$ 22,581,406</u>
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OTHER FINANCING USES:

Transfers to Other Funds (Note 1.A.)	<u>23,304,477</u>
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REVENUES UNDER EXPENDITURES

AND OTHER FINANCING USES	\$ (723,071)
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FUND BALANCE, BEGINNING OF YEAR	<u>51,704,317</u>
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FUND BALANCE, END OF YEAR	<u><u>\$ 50,981,246</u></u>
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The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net Change in Fund Balance - Total Governmental Fund	\$ (723,071)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.	18,467,763
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the amount of the basis in the fixed assets disposed.	<u>(72,954)</u>
Change in Net Position of Governmental Activities	<u>\$ 17,671,738</u>

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT
STATEMENT OF FINANCIAL POSITION - PROPRIETARY FUND
AGENCY FOR COMMUNITY TRANSIT
DECEMBER 31, 2019

TRANSPORTATIONASSETS

Cash	\$ 4,536,951
Investments	21,500,000
Accounts Receivable, Net	165,118
Due from Other Funds	1,957,427
Prepaid Insurance	2,357
Prepaid Expenses	184,398
Fixed Assets, Net of Accumulated Depreciation	25,529
Other Assets	<u>199,559</u>
 TOTAL ASSETS	 <u><u>\$ 28,571,339</u></u>

LIABILITIES

Accounts Payable	\$ 128,314
Accrued Wages and Compensated Absences	3,282,396
Other Liabilities	<u>640,513</u>
 Total Liabilities	 <u><u>\$ 4,051,223</u></u>

NET ASSETS

Investment in Fixed Assets	\$ 25,529
Unrestricted	<u>24,494,587</u>
 Total Net Assets (Exhibit "H")	 <u><u>\$ 24,520,116</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 28,571,339</u></u>

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FINANCIAL POSITION - PROPRIETARY FUND
AGENCY FOR COMMUNITY TRANSIT
FOR THE YEAR ENDED DECEMBER 31, 2019

TRANSPORTATION

OPERATING REVENUES:	
Charges for Services	\$ 1,511,723
OPERATING EXPENSES:	
Transportation Program (Schedule "2")	\$ 22,603,386
Management and General Expense (Schedule "2")	1,097,422
Total Operating Expenses	\$ 23,700,808
OPERATING LOSS	\$ (22,189,085)
NON-OPERATING REVENUES :	
Interest Income	\$ 540,777
Maintenance Income	51,106
Radio Tower Repeater Fees	23,832
Miscellaneous Income	69,684
Gain on Sale of Assets	972
Total Non-Operating Revenues	\$ 686,371
LOSS BEFORE OPERATING TRANSFERS FROM OTHER FUNDS	\$ (21,502,714)
TOTAL OPERATING TRANSFERS FROM OTHER FUNDS	23,586,599
INCREASE IN NET ASSETS	\$ 2,083,885
TOTAL NET ASSETS, BEGINNING OF YEAR	22,436,231
TOTAL NET ASSETS, END OF YEAR	\$ 24,520,116

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
AGENCY FOR COMMUNITY TRANSIT
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received from Customers	\$ 1,600,438
Cash Paid to Employees and Suppliers	(23,671,318)
Interest Received	540,777
Net Cash Used by Operating Activities	<u>\$ (21,530,103)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Cash Purchase of Fixed Assets	\$ (8,611)
Purchase of Investments	(1,520,000)
Proceeds from Sale of Fixed Assets	972
Net Cash Used by Investing Activities	<u>\$ (1,527,639)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Cash Received From Other Funds	<u>\$ 23,730,089</u>
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NET INCREASE IN CASH

\$ 672,347

CASH, BEGINNING OF YEAR

3,864,604

CASH, END OF YEAR

\$ 4,536,951

RECONCILIATION OF LOSS BEFORE OPERATING TRANSFERS TO
NET CASH FLOWS FROM OPERATING ACTIVITIES:

LOSS BEFORE OPERATING TRANSFERS	\$ (21,502,714)
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ADJUSTMENTS:

Depreciation	14,415
(Gain)/Loss on Sale/Disposal of Property	(972)

CHANGES IN ASSETS AND LIABILITIES:

INCREASE (DECREASE) IN:

Accounts Receivable, Net	(55,907)
Prepaid Insurance	(123)
Prepaid Expenses	18,404
Other Assets	(2,649)

INCREASE (DECREASE) IN:

Accounts Payable	(37,983)
Accrued Wages and Compensated Absences	7,155
Other Liabilities	<u>30,271</u>

NET CASH USED BY OPERATING ACTIVITIES

\$ (21,530,103)

The accompanying notes are an integral part of the financial statements.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Madison County Mass Transit District was established in 1980 under the provision of the local Mass Transit District Act, as amended. The District is to provide transportation to the elderly and disabled, and fixed route transportation to the general public.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies:

A. Reporting Entity

The following criteria have been developed to determine whether related organizations should be included within the financial reporting entity. The criteria, as set forth in GASB No. 14, "The Financial Reporting Entity", as amended by GASB No. 39 "Determining Whether Certain Organizations Are Component Units" is financial accountability. Financial accountability is defined as appointment of a voting majority of a component unit's board and either the ability to impose its will by a primary government or the possibility that a component unit will provide a financial benefit to or impose a financial burden on a primary government. Based on this criteria, the Agency for Community Transit, a not-for-profit entity with a December 31 fiscal year end, qualifies as a component unit.

The financial statements of the Agency for Community Transit (Agency) for year ended December 31, 2019, are reported as a blended component unit, and are presented as a proprietary fund type. The Agency issues separately audited financial statements and they can be obtained from the Agency's office. The following is a brief description of activities and relationship to the District:

The District contracts with the Agency to provide transportation services to the Madison County area and provide administrative services to the District. The Agency provides services exclusively for the District. The Agency's Board of Directors are appointed by the District's Board of Directors.

All transactions and balances between the District and the Agency have been reclassified as transfers to or from other funds. These transfer accounts will not balance at June 30, 2020, due to the different reporting periods of the District and the Agency. In addition, the operating budget of the District does not reflect the reclassification of the transactions and balances.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Fund Accounting

The accounts of the District are organized on the basis of funds. The operation of the funds are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenue, and expenditures.

General Fund - The General Fund is the operating fund of the District. It accounts for all financial resources that are not required to be accounted for in another fund.

Proprietary Fund - The Proprietary Fund reports the activity of the component unit. The fund's objective is the determination of change in net assets and cash flows.

C. Basis of Accounting

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the District and for each governmental activity. Program revenues include charges paid by the recipients of the services offered by the programs and grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. All funds are considered major.

Governmental Funds

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition

The modified accrual basis of accounting is used in the Governmental Fund Type. Revenues are recognized when they become "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

Proprietary Funds

All proprietary funds are accounted for using the accrual basis of accounting. The economic resource focus determines costs as a means of maintaining capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Investments

Investments are carried at cost, which approximates market.

E. Inventory

Inventory consists of bus parts, fuel and lubricants and is valued at cost. Cost is determined by the first-in, first-out method.

F. Fixed Assets and Depreciation

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. General fixed assets are long-lived assets of the District as a whole with a cost of \$5,000 or greater. When purchased, such assets are recorded as expenditures in the governmental fund. The valuation basis for general fixed assets is historical cost. Historical cost is the amount paid by the District for the asset. The District pays only the local portion of some bikeway projects. The local portion is the historical cost. Where historical cost is not available, estimated historical cost is based on replacement cost. Donated fixed assets are reported at their fair market value as of the date received.

Fixed assets in the proprietary fund are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund fixed assets are the same as those used for the general fixed assets.

Depreciation of fixed assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable fixed assets are as follows:

Buildings and Improvements	15 to 25 years
Vehicles	4 to 12 years
Equipment	3 to 10 years

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

G. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted – Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws and regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted – Net position that is neither classified as restricted nor as invested in capital assets, net of related debt.

Fund Statements

Governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balance as follows:

- a. Nonspendable – Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted – Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions of enabling legislation. As of June 30, 2020, the District does not have restricted funds.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- c. Committed – Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal resolution of the District board. This formal action must occur prior to the end of the fiscal year, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent fiscal year. Any changes to the constraints imposed require the same formal action of the District board that originally created the commitment. As of June 30, 2020, the District does not have committed funds.
- d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. Fund balance may be assigned through the following: 1) The District board may take action to assign amounts for a specific purpose or, 2) all remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the fiscal year.
- e. Unassigned – Includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

The District has a formal minimum fund balance policy to maintain cash and investment balances at a level sufficient to pay for not less than nine months of operating expenditures and not less than 5% of the audited Net Fixed Assets at the end of the prior fiscal year. These minimum balances are included in unassigned fund balance.

The District also has a formal minimum fund balance policy to maintain cash and investments at a level sufficient to pay for not less than twelve months of the capital reserve amount. This minimum fund balance is included in assigned fund balance.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

I. Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Proprietary Fund have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2. CASH AND INVESTMENTS

Cash consists of cash on hand and cash in checking accounts. Investments consist of cash in high yield money market accounts, certificates of deposit, and a pooled investment account.

	<u>CARRYING</u> <u>AMOUNT</u>	<u>BANK</u> <u>BALANCE</u>
Cash:		
General Fund	\$ 10,443	\$ 2,468,251
Proprietary Fund	4,536,951	4,716,784
Total	<u>\$ 4,547,394</u>	<u>\$ 7,185,035</u>
Non-Pooled Investments:		
General Fund	\$ 41,214,057	\$ 41,214,057
Proprietary Fund	21,500,000	21,500,000
Pooled Investments:		
General Fund	5,768,651	5,768,651
Total	<u>\$ 68,482,708</u>	<u>\$ 68,482,708</u>

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 2. CASH AND INVESTMENTS (CONT'D)

The District is authorized to invest in any type of security allowed for in Illinois statutes regarding the investment of public funds.

A. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing shorter term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

	<u>Remaining Maturity</u>		
	<u>Total</u>	<u>12 months or less</u>	<u>1-5 years</u>
State Investment Pool	\$ 5,768,651	\$ 5,768,651	\$ -
Certificates of Deposit	62,632,000	26,185,000	36,447,000
Money Market Accounts	82,057	82,057	-
Total	<u>\$ 68,482,708</u>	<u>\$ 32,035,708</u>	<u>\$ 36,447,000</u>

B. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District invests in a state investment pool. The investment pool earned Standard and Poor's highest rating of AAAm.

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 2. CASH AND INVESTMENTS (CONT'D)

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's deposit policy states that all funds on deposit in excess of federal depository insurance must be secured by collateral held at an independent third party in the name of the District. As of June 30, 2020, the District's General Fund cash and non-pool investments are \$41,224,500. All of the General Fund's cash and non-pooled investments and the Proprietary Fund's cash balance were fully insured and collateralized.

The District's investment in the state investment pool is fully collateralized. The District maintains a separate investment account representing a proportionate share of the pool assets and its respective collateral; therefore no collateral is identified with each individual participant's account. The balance in the District's state investment pool as of June 30, 2020 was \$5,768,651.

NOTE 3. DUE FROM GOVERNMENTAL AGENCIES

The amount due from governmental agencies of \$4,816,688 represents sales tax collections from the Illinois Department of Revenue (IDOR), sales tax and grant payments from the Illinois Department of Transportation (IDOT), grant payments from the Missouri Department of Transportation (MoDOT), the Federal Transit Administration (FTA), and the Metro East Park and Recreation District (MEPRD).

The following details the amount due from governmental agencies:

IDOR:	Sales Tax		\$ 2,548,138
IDOT:	Operating Assistance	\$ (1,284,885)	
	Commuter Initiative	40,802	
	Rideshare Program	42,307	
			(1,201,776)
MoDOT:	Rideshare Program		205,010
FTA:	Capital Grants		3,106,273
MEPRD:	Capital Grants		159,043
			<u>\$ 4,816,688</u>

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 4. STATE AND FEDERAL PROGRAMS

Operating Assistance:

During 1989, legislation passed which allowed state sales tax monies to go to the District for reimbursement of eligible operating expenditures in providing transportation services.

An annual contract is signed with the Illinois Department of Transportation (IDOT) which states the requirements necessary to receive such funds. Reimbursements requested for eligible expenditures incurred during the year ended June 30, 2020, were \$16,380,459.

Rideshare Program:

The District has agreements with the Illinois Department of Transportation (IDOT) and the Missouri Department of Transportation (MoDOT) for the purpose of increasing vehicle occupancy and decreasing vehicle miles traveled in the St. Louis Metropolitan Region. This program is funded by Congestion Mitigation and Air Quality (CMAQ). The District has entered into agreements for reimbursement of 100% of the eligible expenses incurred during the year.

The amount requested for reimbursement under the agreements for the year ended June 30, 2020, was \$456,092.

Bikeway Projects:

The District has agreements with the Metro East Park and Recreation District (MEPRD) to reimburse costs associated with a variety of bikeways. The amount reimbursed under these agreements for the year ended June 30, 2020 was 3,153,449 .

Federal and State Grants:

The District received monies from the Federal Transit Administration (FTA) and Illinois Department of Transportation (IDOT) through various grants. The FTA and IDOT grants were entered into for the construction of transit facilities and purchases of vehicles, equipment, COVID-19 response supplies, and other items. The District is reimbursed for 80% - 100% of the original grant amount from FTA or IDOT, as a pass-through from FTA, with the remaining amount being reimbursed by IDOT or funded by the District. The amount requested from FTA and IDOT for the fiscal year ended June 30, 2020 was \$19,532,328 and \$91,601, respectively. The following details the funds requested to the District by FTA for the year ended June 30, 2020:

Section 5307	\$ 11,994,567
Section 5339	3,600,000
CMAQ	3,061,848
Federal CARES Act	875,913
	<u>\$ 19,532,328</u>

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 5. FIXED ASSETS

A summary of the Fixed Assets for the governmental activities is as follows:

	<u>BALANCE</u> <u>JUNE 30, 2019</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2020</u>
Fixed Assets, not being depreciated:				
Land	\$ 9,572,617	\$ 316,046	\$ -	\$ 9,888,663
Subtotal	<u>\$ 9,572,617</u>	<u>\$ 316,046</u>	<u>\$ -</u>	<u>\$ 9,888,663</u>
Fixed Assets, being depreciated:				
Buildings and Improvements	\$ 76,287,523	\$ 2,019,802	\$ -	\$ 78,307,325
Vehicles	41,135,510	24,168,572	4,877,422	60,426,660
Equipment	6,411,523	9,900	277,657	6,143,766
Subtotal	<u>\$ 123,834,556</u>	<u>\$ 26,198,274</u>	<u>\$ 5,155,079</u>	<u>\$ 144,877,751</u>
Accumulated Depreciation:				
Buildings and Improvements	\$ 44,420,862	\$ 3,420,560	\$ -	\$ 47,841,422
Vehicles	30,362,058	4,212,133	4,804,468	29,769,723
Equipment	5,453,166	413,864	277,657	5,589,373
Subtotal	<u>\$ 80,236,086</u>	<u>\$ 8,046,557</u>	<u>\$ 5,082,125</u>	<u>\$ 83,200,518</u>
Net Fixed Assets	<u>\$ 53,171,087</u>	<u>\$ 18,467,763</u>	<u>\$ 72,954</u>	<u>\$ 71,565,896</u>

Depreciation in the amount of \$8,046,557 was charged to the Transportation Governmental Activity.

A summary of Fixed Assets for the business-type activities is as follows:

Transit and Service Vehicles	\$ 115,429
Leasehold Improvements	5,779
Furniture, Fixtures, and Equipment	571,410
	<u>\$ 692,618</u>
Less, Accumulated Depreciation	(667,089)
Net Fixed Assets	<u>\$ 25,529</u>

Depreciation in the amount of \$14,415 was charged to the Transportation Business-Type Activity.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 6. RETIREMENT PLAN

The Agency contributes to three Retirement Plans for the benefit of employees.

The Agency administers a deferred compensation plan under Section 403(b) of the Internal Revenue Code. The plan is open to all non-union employees. Participant deferrals between 2.5% and 5% of income are matched 2 for 1 by the Agency if eligibility requirements are met. The Agency contributed \$496,834 and \$470,801 to the plan for the years ended December 31, 2019 and 2018, respectively.

Agency union employees are able to participate in a union sponsored defined contribution plan under Section 401(k) of the Internal Revenue Code. The plan is open to all union employees. Participant deferrals between 1% and 5% of wages are matched 1 for 1 by the Agency if eligibility requirements are met. The Agency contributed \$191,365 and \$180,027 to the plan for the years ended December 31, 2019 and 2018, respectively.

In 2006, the Agency began making contributions to a 457(f) deferred compensation arrangement. Funds are retained in a separate bank account until the benefits are vested and the monies are withdrawn. The balance in the account, including interest, is \$199,559 and \$196,910 as of December 31, 2019 and 2018, respectively. This amount is also being recorded as a liability in the Agency's statement of financial position.

NOTE 7. RISK MANAGEMENT/CONTINGENCIES

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three fiscal years.

The District, at times, is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, in the opinion of the District's management the resolution of these matters will not have a material adverse effect on the financial condition of the District.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 7. RISK MANAGEMENT/CONTINGENCIES (CONT'D)

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. The resulting restrictions on travel and quarantines imposed have had a negative impact on the U.S. economy and business activity globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, operations, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations or financial condition for fiscal year 2021. On April 2, 2020, the FTA announced funding to help the nation's public transportation systems respond to COVID-19 with funding provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, signed on March 27, 2020. The total CARES Act apportionment awarded to the District was \$12,531,431. The funding is provided at 100 percent federal share, with no local match required, and the grant funds are available to use to offset eligible operating and capital activities until expended.

NOTE 8. SELF-INSURANCE

The Agency has established a limited self-insurance program for the purpose of paying up to \$50,000 per general liability claim. Any claim in excess of the \$50,000 is covered by a supplemental insurance plan. The Agency has incurred claims (net of recoveries) of \$182,440 and \$127,723 under this program for the years ended December 31, 2019 and 2018, respectively. A self-insurance reserve has been established for claims incurred but not paid of \$265,746 and \$243,077 for the years ended December 31, 2019 and 2018, respectively.

The Agency is required under their limited self-insurance program to fund a separate checking account designated to pay claims. The balance in this account was \$41,911 and \$38,894 for the years ended December 31, 2019 and 2018, respectively.

NOTE 9. OPERATING LEASE

The District entered into a three-year operating lease during fiscal year ended June 30, 2017 for the lease of three vehicles for the Rideshare program. The lease expired in March 2020 with a one year extension through March 2021, with the same terms. The lease agreements require monthly payments of \$992. The remaining minimum future lease payments under the lease agreement, for fiscal year ending June 30, 2021, is \$8,928. The amount of expenditures recognized under these lease agreements for the year ended June 30, 2020, was \$11,906.

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2020

NOTE 10. NET POSITION/FUND BALANCES

Local Match

The District passed various resolutions authorizing the submittal of a Transportation Improvement Program. Funding assistance is available through various federal programs which require matching funds for the projects to be submitted. The resolutions have assigned \$17,841,400 of the Fund Balance for these matching funds.

NOTE 11. SUBSEQUENT EVENTS

The effect of subsequent events on the financial statements has been evaluated through October 19, 2020 which is the date the financial statements were available to be issued.

MADISON COUNTY MASS TRANSIT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL FUND		
	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS
	ORIGINAL	FINAL	
	BUDGET	BUDGET	
REVENUES:			
Sales Tax	\$ 9,300,000	\$ 9,300,000	\$ 10,183,141
Interest	750,000	750,000	1,370,762
Illinois Department of Transportation (IDOT) Operating Assistance	17,260,000	17,260,000	16,380,459
Illinois Department of Transportation (IDOT) Local Sales Tax Reform	2,600,000	2,600,000	3,406,696
Rideshare Program	650,000	650,000	456,092
Lease and Rental Income	-	-	24,752
Federal Transit Administration (FTA) Section 5307	19,462,600	19,462,600	11,994,567
Federal Transit Administration (FTA) Section 5339	3,600,000	3,600,000	3,600,000
Federal CARES Act Funding	-	610,000	875,913
Illinois Department of Transportation (IDOT)	240,000	240,000	-
Congestion Mitigation Air Quality (CMAQ)	2,168,000	2,168,000	3,153,449
Fares	1,032,000	1,032,000	826,678
Metro East Park and Recreation District (MEPRD)	2,050,000	2,050,000	633,458
Illinois Department of Natural Resources (IDNR)	576,000	576,000	-
Intergovernmental Agreements	-	-	44,750
Other Revenues	16,000	16,000	446,922
Total Revenues	<u>\$ 59,704,600</u>	<u>\$ 60,314,600</u>	<u>\$ 53,397,639</u>

THIS SCHEDULE CONTINUED ON NEXT PAGE

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

MADISON COUNTY MASS TRANSIT DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	GENERAL FUND		
	BUDGET AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS
	ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES:			
Transit Services (Note 1.A.)	\$ 26,000,000	\$ 26,000,000	\$ 3,192,719
Rideshare Program (Note 1.A.)	750,000	750,000	346,618
Professional and Other Services	265,000	275,000	214,058
Administrative Contract (Note 1.A.)	500,000	500,000	-
Trustee Expense	30,000	30,000	13,955
District Office	515,000	515,000	422,398
Facilities Maintenance	825,000	825,000	112,165
Transit Centers and Park and Ride Facilities	4,450,000	4,450,000	414,063
Equipment	1,418,000	1,503,000	363,359
Vehicles	25,842,000	25,842,000	24,100,609
Facility Improvements	4,058,000	4,058,000	244,114
Bikeways	7,970,000	7,970,000	1,392,175
Miscellaneous	3,100,000	3,090,000	-
Total Expenditures	<u>\$ 75,723,000</u>	<u>\$ 75,808,000</u>	<u>\$ 30,816,233</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (16,018,400)</u>	<u>\$ (15,493,400)</u>	\$ 22,581,406
OTHER FINANCING USES:			
Transfers to Other Funds (Note 1.A.)			<u>23,304,477</u>
REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES			\$ (723,071)
FUND BALANCE, BEGINNING OF YEAR			<u>51,704,317</u>
FUND BALANCE, END OF YEAR			<u>\$ 50,981,246</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

MADISON COUNTY MASS TRANSIT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

The fiscal year 2020 operating and capital budgets were approved by the District Board of Trustees at the September 26, 2019 board meeting.

The Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Major Governmental Fund presents a comparison of budgetary data to actual results.

MADISON COUNTY MASS TRANSIT DISTRICT
SCHEDULE OF EXPENSES BY FUNCTION - PROPRIETARY FUND
AGENCY FOR COMMUNITY TRANSIT
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	
	<u>TRANSPORTATION</u>	<u>MANAGEMENT & GENERAL</u>	<u>TOTAL</u>
TRANSPORTATION EXPENSES:			
Gas, Oil and Lubricants	\$ 151,214	\$ 3,511	\$ 154,725
Purchased Transportation	153	-	153
Vehicle Insurance Payments and Recoveries	198,803	-	198,803
Licenses and Permits	11,863	103	11,966
Vehicle Maintenance	1,381,911	2,352	1,384,263
Rideshare	759,837	-	759,837
Total Transportation Expenses	<u>\$ 2,503,781</u>	<u>\$ 5,966</u>	<u>\$ 2,509,747</u>
SALARIES AND RELATED EXPENSES:			
Salaries	\$ 14,184,272	\$ 392,706	\$ 14,576,978
Employee Benefits	3,658,857	107,609	3,766,466
Payroll Taxes	1,067,033	33,060	1,100,093
Personnel	69,231	7,396	76,627
Total Salaries and Related Expenses	<u>\$ 18,979,393</u>	<u>\$ 540,771</u>	<u>\$ 19,520,164</u>
OTHER EXPENSES:			
Advertising	\$ 66,984	\$ -	\$ 66,984
Conferences, Meetings and Dues	18,442	12,143	30,585
Depreciation	5,193	9,222	14,415
Miscellaneous	21,765	6,928	28,693
Facilities, Office and Insurance	867,330	312,319	1,179,649
Professional, Consultant and Other	136,022	210,073	346,095
Radio Tower	4,476	-	4,476
Total Other Expenses	<u>\$ 1,120,212</u>	<u>\$ 550,685</u>	<u>\$ 1,670,897</u>
TOTAL EXPENSES (Exhibit "H")	<u>\$ 22,603,386</u>	<u>\$ 1,097,422</u>	<u>\$ 23,700,808</u>